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RUEHKA/AMEMBASSY DHAKA PRIORITY 0971
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 3781
RUEHLO/AMEMBASSY LONDON PRIORITY 5095
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1108
RUEHCI/AMCONSUL KOLKATA PRIORITY 3229
RUEHGV/USMISSION GENEVA PRIORITY 1530
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2469
RHEFDIA/DIA WASHDC PRIORITY
RHMFISS/CDR USPACOM HONOLULU HI PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000486

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TAGS: [PREL](#) [PGOV](#) [PTER](#) [PREF](#) [BH](#) [IN](#) [NP](#)
SUBJECT: NEPAL: INDIA DIGS IN ON ARMS MANAGEMENT

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Summary

1. (C) Indian Ambassador to Nepal Shiv Shankar Mukherjee told the Ambassador on March 5 that the Government of India (GOI) was encouraging the Prime Minister to hold the line on weapons management before allowing Maoist entry into an interim government. Mukherjee also reported that he personally had delivered a message to the Maoist leadership that their arms management efforts were inadequate. Until the Maoist demonstrated a good faith effort to meet their peace agreement commitments, the GOI would not support the Maoist entrance into the government. Mukherjee also told the Ambassador the GOI was willing to see Home Minister Krishna Prasad Sitaula transferred to another ministry and was pleased with the movement toward resettlement of the Bhutanese refugees.

Maoist Arms Management Inadequate

2. (C) Indian Ambassador to Nepal Shiv Shankar Mukherjee told the Ambassador that he had emphasized to Prime Minister Koirala in their meeting on March 1 that the Maoists should not be allowed into an interim government until they changed their behavior and met their peace process commitments. Subsequently, Mukherjee had met with the Maoist Supremo Prachanda and second-in-command Baburam Bhattarai at the request of the Prime Minister and with New Delhi's permission. Mukherjee said that he had informed the Maoists that their arms management efforts were inadequate because too many weapons were missing from the totals registered with the UN. Prachanda had acknowledged that a few hundred weapons had been kept out for the protection of their leadership. Prachanda had also expressed concern that, should the King choose to act against democracy, the Maoists would need weapons to respond. Mukherjee said he had dismissed Prachanda's justifications.

India Sends Message to Maoist

3. (C) Mukherjee said he had the morning of March 5 been told

by New Dehli to deliver a message to the Maoists stating that, until the Maoists satisfactorily completed arms management and changed their behavior, the GOI would not support their entry into an interim government. The GOI wanted to see a return of property confiscated by the Maoists, as well as, a public announcement from the Maoists condemning extortion and denouncing anyone involved in extortion. Although Mukherjee recognized the need for forward movement in the peace process and wanted to see elections in June, India remained, he stated, concerned about Maoist willingness to use "street power" to force through a republic and seize power. India was adamant that the Maoists could not continue to act in direct violation of their peace agreement commitments.

India Open to Sitaula's Transfer

14. (C) Mukherjee told the Ambassador that, although India viewed the demand from the Madhesi People's Rights Forum (MPRF) for the dismissal of Home Minister Sitaula as unreasonable, the GOI would be willing to see Sitaula transferred to another ministry. (Note: In a separate meeting with Emboff on March 5, representatives from the MPRF repeated their two main demands: Sitaula's resignation and a commission of inquiry to look into police actions during the Terai demonstrations. The MPRF made it clear that as long as Sitaula remained in any cabinet level position, the MPRF would not sit for talks with the government. End Note)

India Supports Resettlement Efforts

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15. (C) Mukherjee expressed the GOI's pleasure that there was forward movement on resettlement of Bhutanese refugees. Mukherjee reaffirmed to the Ambassador that he would be in touch with the Indian Ministry of External Affairs on the refugee issue. Mukherjee was prepared to push New Dehli to quietly reassure the GON that India would not allow further expulsions from Bhutan.

Comment

16. (C) India taking a hard line with the Maoists on their continuing peace agreement violations should encourage the GON to do the same. As Maoist entry into an interim government is the last "carrot" to offer the Maoists, the GON needs to make use of it. With India being tough and the Nepali Congress leadership showing increased backbone, Maoist entry into government may not occur without significant changes in their behavior.

MORIARTY